Income Tax - State Tuition Program Subtraction

I receive interest and income distributions from a qualified state tuition program (Section 529 Plan) in another state. Can I subtract these distributions on my Colorado income tax return even if I use the funds to pay qualified higher educational expenses of an out-of-state school?

Yes. This is different from the "tuition program contributions" subtraction. The interest and income you receive from an out-of-state qualified tuition program are deductible on your Colorado income tax return (2003 and earlier only) to the extent it otherwise qualifies for the subtraction.